



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
Med-QUEST Division
Health Care Services Branch
P. O. Box 700190
Kapolei, Hawaii 96709-0190

August 21, 2008

ACS M08-08A
(Supersedes ACS M08-08
dated June 25, 2008)

TO: MEDICAID PARTICIPATING HOSPITALS

FROM: Kenneth S. Fink, MD, MGA, MPH
Med-QUEST Division Administrator *KF*

SUBJECT: CLARIFICATION ON DEPARTMENT OF HUMAN SERVICES (DHS),
MED-QUEST DIVISION (MQD) MEDICAID HOSPITAL SUPPLEMENTAL
PAYMENTS

This Memo supersedes Memo ACS M08-08 relating to Medicaid Hospital Supplemental Payments.

The implementation of the Quest Expanded Access Program (QExA) will affect the current disbursements made by MQD for the aged, blind, or disabled (ABD) population. Although the current Medicaid ABD clients will be enrolled into one of two managed care health plans, Ohana Health Plan or Evercare, MQD will continue to make the following payments as authorized by Federal and State appropriations.

- Disproportionate Share Hospital (DSH) Allowance
- Uncompensated Care (UCC)
- Outstationed Eligibility Workers

After the implementation of the QExA program MQD will no longer make payments for the following:

- Rate Reconsideration Requests
- Monthly Capital Payments
- Cost Report Settlements

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Medicaid cost reports will continue to be a requirement of participation. This cost report will be for informational purposes only and will not determine a settlement. The CMS approved hospital complex cost report will continue to be the required reporting mechanism. Please refer to your CMS Pub. 1541 for the applicable instruction for the preparation of the cost reporting forms and cost reporting filing instructions. Further information regarding the filing of cost reports immediately before and after implementation of QExA will be provided in the near future.

This is also to clarify the Medicaid supplemental payments to the hospitals not to include Critical Access Hospitals (CAH).

Should you have any questions or concerns please contact Mr. Reuben Shimazu, Financial Risk and Reimbursement Manager at (808) 692-7983 or email to rshimazu@medicaid.dhs.state.hi.us.